



Case No: 2008-00358

August 26, 2008

Stephanie Stumbo, Executive Director  
Commonwealth of Kentucky  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED  
AUG 29 2008  
PUBLIC SERVICE  
COMMISSION

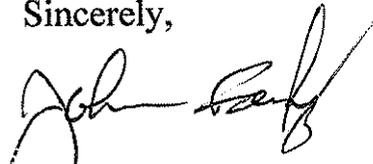
Re: Citipower L.L.C.  
Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Ms. Stumbo:

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation rates to be effective October 1, 2008 based on the reporting period from April 1, 2008 through June 31, 2008. To the best of my knowledge, this filing is complete and accurate, is in accordance with the requirements of the Commonwealth of Kentucky Public Service Commission.

The Public Service Commission may, as it has in the past, correct the Quarterly Report of Gas Cost Recovery Rate Calculation provided by Citipower, and issue its Order based on its corrected Calculation. If the Commission corrects the enclosed Calculation and issues its Order based on the Commission's corrected calculation, please provide me with a legible copy for future reference.

Sincerely,



John Forsberg  
Controller

Citipower, LLC  
2122 Enterprise Road  
Greensboro, NC 27408

Voice 336-379-0800  
Fax 336-379-0881

2008-00358

APPENDIX B  
Page 1

CITIPOWER, LLC

QUARTERLY REPORT OF GAS COST **RECEIVED**  
RECOVERY RATE CALCULATION

AUG 29 2008  
PUBLIC SERVICE  
COMMISSION

Date Filed:

August 26, 2008

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Date Rated to be Effective:

October 1, 2008

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Reporting Period is Calendar Quarter Ended:

June 31 2008

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CITIPOWER, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGA)	\$/Mcf	\$13.7075
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	\$1.4598
Balance Adjustment (BA)	\$/Mcf	\$0.0913
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$15.2586

to be effective for service rendered from October 1, 2008 to December 31, 2008.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$1,144,920
/Sales for the 12 months ended June 31, 2008	\$/Mcf	83,525
Expected Gas Cost	\$/Mcf	\$13.7075

<u>B. REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch III)	\$/Mcf	\$0.0000
+Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
+Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
+Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
=Refund Adjustment (RA)	\$ Mcf	\$0.0000

<u>C. ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Sch IV)	\$/Mcf	\$0.1679
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$1.2215
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0000
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0704
=Actual Adjustment (AA)	\$ Mcf	\$1.4598

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	(\$0.0358)
+Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0115)
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0069
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.1317
=Balance Adjustment (BA)	\$ Mcf	\$0.0913

**CITIPOWER, LLC**  
**SCHEDULE II**  
**EXPECTED GAS COST**

Actual Mcf Purchases for 12 months ended 6/31/2008

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Citigas			83,816	\$13.6600	\$1,144,920

Totals	83,816	\$1,144,920
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Line loss for 12 months ended 6/31/2008 is based on purchases of 83,816  
and sales of 83,525 Mcf. 0.35%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$1,144,920
/ Mcf Purchases (4)		83,816
= Average Expected Cost Per Mcf Purchased		\$13.6600
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		83,816
= Total Expected Gas Cost (to Schedule IA)		\$1,144,920

CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended June 31, 2008.

<u>Particulars</u>	<u>Unit</u>	<u>April. '08</u> <u>Month 1</u>	<u>May. '08</u> <u>Month 2</u>	<u>June. '08</u> <u>Month 3</u>
Total Supply Volumes Purchased	Mcf	7,391	5,694	2,782
Total Cost of Volumes Purchased	\$	\$77,162	\$74,180	\$36,504
/ Total Sales *	Mcf	7,021	5,983	2,782
= Unit Cost of Gas	\$/Mcf	\$10.9902	\$12.3985	\$13.1215
- EGC in Effect for Month	\$/Mcf	\$10.4400	\$10.4400	\$13.6600
= Difference	\$/Mcf	\$0.5502	\$1.9585	(\$0.5385)
x Actual Sales during Month	Mcf	6,909	5,983	2,782
= Monthly Cost Difference	\$	\$3,801.14	\$11,717.48	(\$1,498.12)
 Total Cost Difference			\$	\$14,020.50
/ Sales for 12 months ended 06/31/08			Mcf	83,525
= Actual Adjustment for the Reporting Period (to Sch IC)				\$0.1679

\* May not be less than 95% of supply volume

Case No. 2007-00174 Effective 6/1/07

Effective Date	Mcf Sales	Factor	Refunded	Balance
Beginning Balance				(\$31,276)
June 2007	3,590	(\$0.3426)	(\$1,229.93)	(\$30,046)
July 2007	3,088	(\$0.3426)	(\$1,057.95)	(\$28,988)
August 2007	2,945	(\$0.3426)	(\$1,008.96)	(\$27,979)
September 2007	2,674	(\$0.3426)	(\$916.11)	(\$27,063)
October 200	4,715	(\$0.3426)	(\$1,615.36)	(\$25,447)
Nov-07	8,320	(\$0.3426)	(\$2,850.43)	(\$22,597)
Dec-07	10,186	(\$0.3426)	(\$3,489.72)	(\$19,107)
Jan-08	12,924	(\$0.3426)	(\$4,427.76)	(\$14,679)
Feb-08	12,047	(\$0.3426)	(\$4,127.30)	(\$10,552)
Mar-08	9,178	(\$0.3426)	(\$3,144.38)	(\$7,408)
Apr-08	6,909	(\$0.3426)	(\$2,367.02)	(\$5,041)
May-08	5,983	(\$0.3426)	(\$2,049.78)	(\$2,991)
	82,559			

Under/(Over) Recovery (\$2,991)  
Mcf Sales for factor 83,525  
BA Factor (\$0.0358)

CITIPOWER, LLC

SCHEDULE V  
BALANCE ADJUSTMENT

Case No. 2007-00174 Effective 6/1/07

Effective Date	Mcf Sales	Factor	Refunded	Balance
Beginning Balance				(\$31,276)
June 2007	3,590	(\$0.3426)	(\$1,229.93)	(\$30,046)
July 2007	3,088	(\$0.3426)	(\$1,057.95)	(\$28,988)
August 2007	2,945	(\$0.3426)	(\$1,008.96)	(\$27,979)
September 2007	2,674	(\$0.3426)	(\$916.11)	(\$27,063)
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May-08	5,983	(\$0.3426)	(\$2,049.78)	(\$2,991)
	82,559			
Under/(Over) Recovery				(\$2,991)
Mcf Sales for factor	83,525			
BA Factor		(\$0.0358)		

**Citipower, LLC**  
**Quarterly Report of Gas Cost**  
**Filing Date: 8/26/08**  
**Schedule II - Expected Gas Cost**

<u>Month</u>	<u>Expected</u>			<u>Mcf (Sold)</u>
	<u>Mcf (Purchased)</u>	<u>Rate</u>	<u>Cost</u>	
July-07	3,088	13.66	42,175	3,088
August-07	2,945	13.66	40,229	2,945
September-07	2,674	13.66	36,527	2,674
October-07	4,715	13.66	64,407	4,715
November-07	8,320	13.66	113,651	8,320
December-07	10,186	13.66	139,141	10,186
January-08	12,924	13.66	176,542	14,698
February-08	13,181	13.66	180,052	12,047
March-08	9,956	13.66	135,999	9,178
April-08	7,391	13.66	100,961	6,909
May-08	5,654	13.66	77,234	5,983
June-08	2,782	13.66	38,002	2,782
	<u>83,816</u>		<u>1,144,920</u>	<u>83,525</u>



# Citigas, LLC

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August 26, 2008

Citipower, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for October 2008 through December 2008 will be as calculated below:

Gas cost per Mcf	\$11.38
BTU factor	<u>\$ 2.28</u>
Total	\$13.66

Sincerely,

Daniel R Forsberg  
President

2122 Enterprise Rd.  
Greensboro, NC 27408  
(336) 379-0800  
(336) 379-0881 Fax

# RICHARDSON BARR & CO.

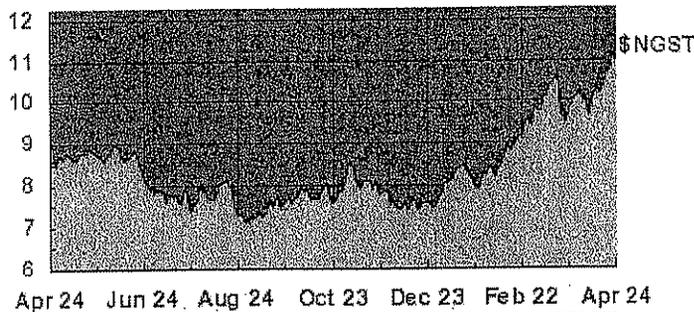
Look under "More Info" for further information. At least 20 min. delay.

## **NYMEX NATURAL GAS 12-MO STRIP MAY (NYMEX\_NT: \$NGST)**

More Info: [chart](#) [stock screen](#) [performance screen](#) [news](#)

Last Trade 11:50 a.m. - <b>11.38</b>		Change ↑ 0.07 (↑ 0.62%)	Trades Today 7,097	Day's Volume 74,752
Beta NA	Day's Range 11.19 - 11.41	Prev Close 11.31	Open 11.30	52 Wk Range 8.12 - 11.41
EPS NA	PE NA	Div/Shr 0.00	Ex-Div NA	Yield NA%
			Shares Out. NA	Market Cap. 0

### • 1 Year Stock Performance:



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